

**Consultation on the Action Plans on
Sustainable Consumption and Production
and
Sustainable Industry Policy**

Brussels, 23 September 2007

The **European Federation of Magazine Publishers, FAEP**, would like to provide the EU Commission with some relevant background information and its position regarding the EU Commission's Action Plans on Sustainable Consumption and Production and on Sustainable Industry Policy.

FAEP represents 15.000 magazine publishers across Europe who publish more than 50.000 different magazine titles. 360 million readers in the EU read magazines on a regular basis. The European magazine publishing sector directly employs approximately 200.000 EU citizens and a multiple of this figure is involved in the related advertising, distribution, printing, design and paper manufacturing industries.

Magazine publishers in Europe support very strongly the overall policy objective of sustainable development in order to sustain economic growth and prosperity while minimising environmental damages and make sustainable use of the earth's resources.

In this contribution to the consultation FAEP would like **(a)** to inform the EU Commission about the relevant characteristics of the markets magazine publishers are acting in. This will lead to the **(b)** identification of sensitivities of the magazine sector regarding policy instruments interfering with magazine publishers markets. FAEP will therefore **(c)** highlight which policy instruments related to the overall policy objectives would be acceptable for the magazine publishing sector in Europe. Further more this paper will give an overview about **(d)** how the magazine publishing sector is already today continuously improving its contribution to the overall policy objective of sustainable development and outline what the motivation for publishers is to act proactively in this field.

(a) Characteristics of the magazine publishers markets

Magazine publishers **provide content** to inform about news, to entertain, to educate and to serve the information demand of special interest communities and businesses. This content is available in print and increasingly online. Publishers tend to use print and online media in a complementary way.

The development of the last years shows that the overall circulation of magazines is stable, while the diversity of magazine titles is growing as more and more niche products are entering the market. Due to language and cultural differences, magazines are a very national product that only exceptionally crosses borders.

Consumer magazines and business-to-business magazines have the same business objectives:

(1) to sell content to readers and

(2) to sell audiences to advertisers.

The reader market as well as the advertising market are highly competitive. On both markets not only magazines compete with each other but also – and in terms of market share for the print media sector as a whole even more relevant – with other media sectors, such as broadcasters and radios. In average across Europe the revenues of magazines split up to a 50% revenue share from copy sales and a 50% revenue share from advertising.

The press is often presented as the fourth pillar of democracy. It therefore deserves a status of protection that prevents the press from interferences with its crucial role within the society by allowing an unhindered development of the business side of publishing. **Only then a high quality of content as well as the independency and diversity of the press can be ensured.**

(b) + (c) Sensitivities of the magazine sector regarding policy instruments

FAEP supports policy approaches that do not interfere with the sensitive and highly competitive markets of readers and advertisers. On the reader market magazines compete for audiences with other media sectors, like broadcasters. Therefore any policy instrument targeting the reader market of the press in particular (e.g. labelling), will impact the competitiveness of magazines vis-à-vis audiences looking for their individual set of quality content on the overall media market.

But as the quantity and quality of audiences is the key aspect on the advertising market, where again all media as well as other forms of advertising (e.g. outdoor advertising) are competing, a decline or change of quality of audiences has an impact on the position of magazines on the advertising market. Further more any direct measure to restrict, ban or impose certain requirements on advertising has the potential to cut down the so called “lifeblood of magazines” (advertising revenue) in a way that market share on the advertising market might be lost to other forms of advertising, such as TV or outdoor advertising.

Therefore FAEP opposes all instruments that interfere directly or indirectly with the reader and the advertising market as the complex interdependence

of content, readers and advertisers that are crucial for the magazine publishing business.

Instead FAEP supports policy instruments that enable the magazine publishing sector to sustain the current business model, while adjusting to the changing technological developments in order to guarantee a long-term prosperity of the periodical press. Policy measures should boost innovation that aims to serve the readers and advertisers needs in print and online.

FAEP supports policy approaches that do allow the publishing sector to continue to improve its environmental performance in a chain-of-custody approach, based on self-regulation. The self-regulatory regime in the publishing sector is well developed and politically accepted (e.g. press council, advertising self-regulation) as it allows publishers themselves to steer suggested changes along the lines of the highly sensitive interrelations of the two relevant markets for magazines: the reader market and the advertising market. Only then the role of the press in a democratic society can be sustained.

(d) How is the magazine publishing sector already today continuously improving its contribution to the overall policy objective of sustainable development?

As the main purpose of magazines is to provide content to readers, **publishers play a key role in maintaining and developing the knowledge society in Europe.** Magazines cover all sorts of topics: from politics, economics and social affairs to business related sector specific content as well as hobbies like golf playing and knitting.

As there is an increasing demand for information on sustainable development, magazines play a significant role in informing and educating EU citizens about sustainable lifestyles, environmental responsibility and related topics that serve directly the policy objective of the EU.

In doing so, publishers consider it as fundamental for their credibility to act in compliance with the content they provide. This is one essential motivator for publishers to proactively improve the environmental performance of the entire chain-of-custody.

Several **platforms in the EU Member States and at European level were set up to have a regular exchange with all players along the paper-value-chain,** such as forest industry, paper manufacturers, printing houses, publishers and recycling industry. Defining environmental standards for the paper-value-chain and the coordination of sustainability related activities are the purpose of these industry platforms that exist already today.

One example is the **European Paper Recycling Council** (www.paperrecovery.org) that was set up as a self-regulatory regime to increase the recycling rates of graphic paper across Europe significantly. This project impressively over fulfils the annual targets and is therefore a highly efficient way of realising a relevant part of the overall policy objective for sustainable development.

In addition to this **FAEP educates its members about the relevant sustainability issues along the whole production chain**, by publishing and promoting the handbook “magazines and the environment”.

As magazine publishers face increasing awareness for sustainability compliance of magazines from their customers – readers and advertisers – the proactive behaviour of the periodical press across Europe pays off in economic terms. This will certainly remain an additional motivator for publishers to improve their sustainable performance in the long-run.

Conclusion

1. **Magazine publishers are committed to support the policy objectives** of the EU Commission’s Action Plans on Sustainable Consumption and Production and on Sustainable Industry Policy.
2. FAEP recommends to introduce any **policy measure based on voluntary self-commitments of publishing companies and/or on self-regulatory regimes** coordinated by the national trade associations and/or the European trade association, FAEP.
3. **Self-regulation** in the publishing sector is well developed and politically accepted (e.g. press council, advertising self-regulation) as it allows publishers themselves to steer suggested changes along the lines of the highly sensitive interrelations of the two relevant markets for magazines: the reader market and the advertising market.
4. **FAEP opposes any direct or indirect measure to restrict, ban or impose certain requirements on advertising**, as this undermines the independency and diversity of the press in the EU. The existing advertising self-regulatory organisations across the EU would be the preferred bodies to ensure the compliance of advertising with the given advertising standards.
5. However **quantitative standards** set by the EU or national governments as well as **labelling schemes** do not reflect the sectors characteristics in terms of the different markets publishers have to apply. FAEP therefore opposes these policy instruments and recommends to build on measures to be developed and implemented by the industry itself, when considered as effective.

6. FAEP and the National Magazine Publishing Associations in EU Member States would like to keep the **flexibility to decide, which issues are tackled best at EU level and which are solved best at national level**. This approach would allow the sector to achieve set targets more efficiently.
7. The press is often presented as the **fourth pillar of democracy**. It therefore deserves a status of protection that prevents the press from interferences with its crucial role within the society by allowing an unhindered development of the business side of publishing. Only then a high quality of content as well as the independency and diversity of the press across the EU can be ensured.

FAEP is ready to report in more detail about initiatives mentioned in this paper and to discuss relevant policy measures with the EU Commission at any time. Magazine publishers are committed to play a proactive role in improving the sustainable development in order to sustain economic growth and prosperity while minimising environmental damages and make sustainable use of the earth's resources.

Please do not hesitate to contact FAEP for any questions:

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